

85<sup>th</sup> Legislative Session – 2010

Committee: House Taxation

Tuesday, February 16, 2010

P - Present  
E - Excused  
A - Absent

Roll Call

P Cutler  
P Feickert  
P Gibson  
P Greenfield  
P Hunhoff (Bernie)  
P Juhnke  
P Kirkeby  
P Kirschman  
P Lange  
P Lederman  
P Russell  
E Solum  
P Thompson  
P Noem, Vice-Chair  
P Olson (Ryan), Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Chair Ryan Olson.

MOTION: TO APPROVE THE MINUTES OF THURSDAY, FEBRUARY 11, 2010.

Moved by: Feickert  
Second by: Noem  
Action: Prevailed by voice vote.

HJR 1006: Proposing a constitutional amendment to revise the legislative vote required to impose, increase, or authorize taxes.

Presented by: Representative Kristi Noem (Handouts: #1)

Proponents: Representative Tim Rave  
Jeremiah D. Murphy, Self  
Opponents: Yvonne Taylor, SD Municipal League  
Bob Wilcox, SD Association of County Commissioners

MOTION: DEFER HJR 1006 TO THE 41<sup>ST</sup> LEGISLATIVE DAY

Moved by: Gibson  
Second by: Cutler  
Action: Prevailed by roll call vote. (8-5-2-0)

Voting Yes: Cutler, Feickert, Gibson, Hunhoff (Bernie), Kirkeby, Kirschman, Lange, Thompson

Voting No: Greenfield, Juhnke, Lederman, Russell, Olson (Ryan)

Excused: Solum, Noem

HB 1084: set certain property tax levies and to provide for their application.

Presented by: Jason Dilges, Bureau of Finance and Management

MOTION: AMEND HB 1084

1084fa

On the printed bill, delete everything after the enacting clause and insert:

" Section 1. The general fund levies for school districts shall be set by the Legislature during the 2010 session."

Moved by: Noem  
Second by: Cutler  
Action: Failed by roll call vote. (7-7-1-0)

Voting Yes: Cutler, Greenfield, Juhnke, Kirkeby, Lederman, Noem, Olson (Ryan)

Voting No: Feickert, Gibson, Hunhoff (Bernie), Kirschman, Lange, Russell, Thompson

Excused: Solum

MOTION: DEFER HB 1084 TO THE 41<sup>ST</sup> LEGISLATIVE DAY

Moved by: Russell  
Second by: Gibson  
Action: Prevailed by roll call vote. (14-0-1-0)

Voting Yes: Cutler, Feickert, Gibson, Greenfield, Hunhoff (Bernie), Juhnke, Kirkeby, Kirschman, Lange, Lederman, Russell, Thompson, Noem, Olson (Ryan)

Excused: Solum

HB 1252: revise certain provisions related to the payment in lieu of taxes for certain housing projects exempt from property taxation.

Presented by: Representative Peggy Gibson (Handouts: #2)  
Proponents: Barbara Cook, Huron Housing Authority

MOTION: AMEND HB 1252

1252fa

On page 2 of the printed bill, delete lines 8 to 10, inclusive, and insert "revenue collected for rentals of a housing project exclusive of any charge for utilities and special services such as heat, water, electricity, gas, cooking fuel, and other necessary services or facilities residential dwelling units. The term, dwelling unit rental, does not include any".

Moved by: Greenfield  
Second by: Noem  
Action: Prevailed by voice vote.

MOTION: DO PASS HB 1252 AS AMENDED

Moved by: Noem  
Second by: Cutler  
Action: Prevailed by roll call vote. (13-0-2-0)

Voting Yes: Cutler, Feickert, Gibson, Greenfield, Hunhoff (Bernie), Kirkeby, Kirschman, Lange, Lederman, Russell, Thompson, Noem, Olson (Ryan)

Excused: Juhnke, Solum

MOTION: PLACE HB 1252 ON CONSENT CALENDAR

Moved by: Lederman  
Second by: Kirschman  
Action: Prevailed by voice vote.

HB 1266: assess and tax certain outdoor sign structures as real property.

Presented by: Representative Mark Kirkeby (Handouts: #3)  
Proponents: Kirk Chaffee, Self, Whitewood  
Senator Larry Rhoden  
Bob Wilcox, SD Association of County Commissioners  
Opponents: Ted Hustead, Self, Wall  
Rick Murray, Self, Pierre  
Michele Brich, SD Innkeepers Association  
Terra Fisher, Daktronics  
Shawn Lyons, SD Retailers Association  
David Owen, SD Chamber of Commerce & Industry  
Lorin Pankratz, Visitor Industry Alliance  
Julie Johnson, Absolutely Aberdeen

MOTION: DEFER HB 1266 TO THE 41<sup>ST</sup> LEGISLATIVE DAY

Moved by: Noem  
Second by: Greenfield  
Action: Was not acted on.

MOTION: SUBSTITUTE MOTION DO PASS HB 1266

Moved by: Lederman  
Second by: Cutler  
Action: Failed by roll call vote. (5-8-2-0)

Voting Yes: Cutler, Feickert, Kirkeby, Lederman, Thompson

Voting No: Greenfield, Hunhoff (Bernie), Juhnke, Kirschman, Lange, Russell, Noem, Olson  
(Ryan)

Excused: Gibson, Solum

THE MOTION TO DEFER HB 1266 TO THE 41<sup>ST</sup> LEGISLATIVE DAY

Moved by: Noem  
Second by: Greenfield  
Action: PREVAILED BY ROLL CALL VOTE. (9-4-2-0)

Voting Yes: Feickert, Greenfield, Hunhoff (Bernie), Juhnke, Kirschman, Lange, Russell, Noem, Olson (Ryan)

Voting No: Cutler, Kirkeby, Lederman, Thompson

Excused: Gibson, Solum

HB 1041: repeal the discount on the sales of cigarette tax stamps to distributors.

\*Prior Testimony heard on February 9, 2010 and February 11, 2010.

Opponents: Garry Moore, Self, Yankton  
Jeremiah M Murphy, McLane Company

Rebuttal: Michael Kenyon, Department of Revenue and Regulation

MOTION: AMEND HB 1041

1041ff

On the printed bill, delete everything after the enacting clause and insert:

" Section 1. The requirement for affixing stamps to packages containing cigarettes is hereby repealed. Each distributor and wholesaler delivering cigarettes in the state of South Dakota shall pay the tax imposed by this chapter. The Department of Revenue and Regulation shall promulgate rules pursuant to chapter 1-26 to collect the cigarette tax and to administer and enforce the provisions regarding the sale and distribution of cigarettes."

Moved by: Greenfield  
Second by: Hunhoff (Bernie)  
Action: Was not acted on.

MOTION: SUBSTITUTE MOTION AMEND HB 1041

1041fb

On page 1, line 8, of the printed bill, delete "~~a discount of two percent of~~" and insert "a discount of ~~two~~ one percent of".

Moved by: Cutler  
Second by: Juhnke  
Action: Failed by voice vote.

THE MOTION TO AMEND HB 1041

1041ff

On the printed bill, delete everything after the enacting clause and insert:

" Section 1. The requirement for affixing stamps to packages containing cigarettes is hereby repealed. Each distributor and wholesaler delivering cigarettes in the state of South Dakota shall pay the tax imposed by this chapter. The Department of Revenue and Regulation shall promulgate rules pursuant to chapter 1-26 to collect the cigarette tax and to administer and enforce the provisions regarding the sale and distribution of cigarettes."

Moved by: Greenfield  
Second by: Hunhoff (Bernie)  
Action: PREVAILED BY VOICE VOTE.

MOTION: DO PASS HB 1041 AS AMENDED

Moved by: Greenfield  
Second by: Cutler  
Action: Prevailed by roll call vote. (14-0-1-0)

Voting Yes: Cutler, Feickert, Gibson, Greenfield, Hunhoff (Bernie), Juhnke, Kirkeby, Kirschman, Lange, Lederman, Russell, Thompson, Noem, Olson (Ryan)

Excused: Solum

MOTION: AMEND TITLE OF HB 1041

1041ftb

On page 1, line 1, of the printed bill, delete everything after "to" and insert "revise certain

provisions concerning the application and administration of the cigarette tax and to repeal certain requirements concerning cigarette stamps.".

On page 1, delete line 2.

Moved by: Greenfield  
Second by: Juhnke  
Action: Prevailed by voice vote.

HB 1255: lower the state sales and use tax on certain food items and to increase the rate of taxation for the sales and use tax on certain goods and services.

Presented by: Representative Marc Feinstein (Handouts: #4)  
Senator Pam Merchant

THE CHAIR DEFERRED HB 1255 UNTIL THURSDAY, FEBRUARY 18, 2010.

MOTION: ADJOURN

Moved by: Juhnke  
Second by: Gibson  
Action: Prevailed by voice vote.

Linda Dugaard  
Committee Secretary

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Ryan P. Olson, Chair